



# The Shropshire Gateway Educational Trust

## Finance Policy

<b>Lead Officer</b>	Darren Reynolds, Executive Head
<b>Approved by Board of Governors</b>	September 2020
<b>Review Cycle</b>	Annual
<b>Next Review Date</b>	September 2021

**Definitions**

Reference to the Chair of Finance throughout this manual should be read to mean the Chair of Finance or Sub-Committee or other person(s) with appropriate status/authority to whom the Chair of Finance may from time to time delegate authority

Reference to the Finance Team throughout this policy should be read to mean any person employed by, or providing professional service to, the Trust (e.g. accountants) who have been authorised to access the accounting system by the Executive Headteacher, Headteacher or Trust Business Manager

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## 1. Purpose and scope

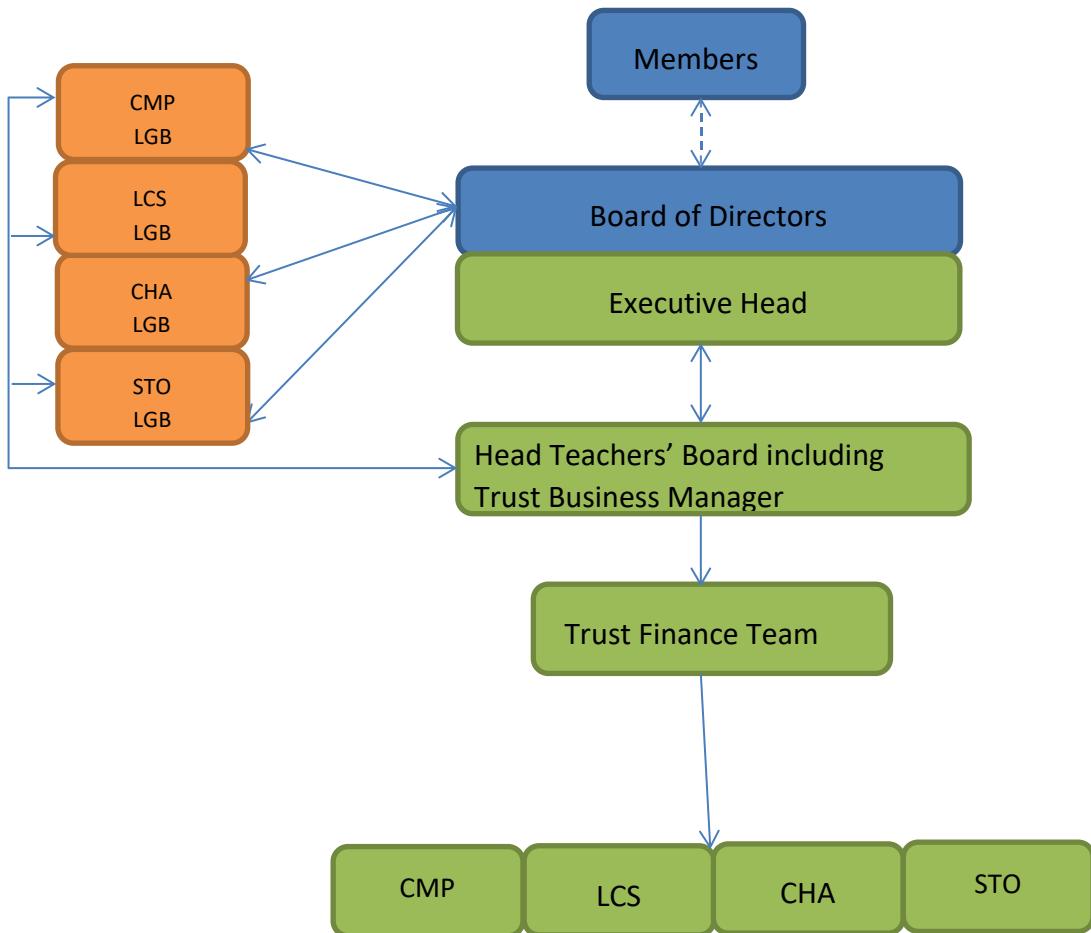
- The purpose of this policy and associated procedures is to ensure that the Shropshire Gateway Educational Trust (SGET) "The Trust" maintains systems of financial control which conform to the requirements of propriety and of good financial management.
- Academy Trusts are companies limited by guarantee and, under the terms of the Academies Act 2010, exempt charities.
- The Trust must comply with the principles of financial control outlined in the Academies Financial
- Handbook published by the Education Funding Agency (ESFA) and the requirements of the Master Funding Agreement (FA) between the Secretary of State of the Department of Education (DfE) and SGET.
- The Trust must ensure economy, efficiency and effectiveness in the use of its funds.
- This policy applies to all SGET Academies, and adherence to its principles and procedures is mandatory for all Directors, Governors and staff.
- Failure to comply with the policies set out in this manual may result in disciplinary action

## 2. Organisation

- The Trust has defined the responsibilities of each function and person involved in the financial administration of the Trust to provide a framework of accountability in accordance with the scheme of delegation.

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### 3. Organisational Structure



### 4. The Board of Directors

The Board of Directors has wide responsibilities defined under statute, regulations and the ESFA. These are set out in the role of the Trust and its governance arrangements. These include:

- Agreeing the long term financial objectives of the Trust;
- Ensuring that Grants from the ESFA / DFE are used only for the purposes intended;
- Delegating each Academies budget to the Local Governing Body (LGB);
- Delegating day-to-day financial management of the trust to the Executive Head and Trust Business Manager;
- Approval of the annual budgets and any material changes;
- Receiving periodic financial reports;
- Making decisions on actual financial requests from LGBs and committees;
- Appointment of auditors;
- Appointment of internal auditors;

- - Reviewing the auditors termly and annual reports;
  - Authorising contracts according to approved limits;
  - Approval of the annual accounts;
  - Appointment of the Chief Executive Officer, Headteachers/ Principals and the Trust Business Manager.
- Agreeing the membership of the Local Governing Bodies, Operations and Audit committee annually including the chairperson;
- Reviewed annually the Finance Policy and Scheme of Delegation;
- Approval of any companies, subsidiaries or joint ventures.
- Approval of any processes resulting in staff redundancy

## **5. The Local Governing Bodies**

Overall management of each Academies budget is delegated to the Local Governing Body (LGB). Particular responsibilities remain with the LGB;

- Recommendations to the Trust to approve the annual budget plan;
- Ensuring the register of pecuniary interest is kept up-to-date;
- Receiving and commenting on the audit reports;

## **6. The Local Finance Committees**

The Finance Committees will meet at least termly. Additional meetings will be held as and when required. The responsibilities include:

- Recommendation to the LGB to approve the annual budget plan;
- Keeping under review the actual financial performance compared with the annual budget plan and the remedial actions taken;
- Reviewing the insurance schemes;

## **7. Audit Committee**

- The Audit Committee is included within Director meeting schedule and will review audit at least twice annually.

- As part of the Directors remit it ensures that internal scrutiny is achieved which delivers objective and independent assurance. This means that:
- staff employed by the trust will not be members of the committee, but may be required to attend to provide information and participate in discussions;
- The accounting officer and other relevant senior staff will routinely attend the committee in the capacity set out directly above.
- The committee's work will focus on providing assurances that risks are being adequately identified and managed by reviewing the risks to internal financial control at the trust and agreeing a programme of work to address, and provide assurance on, those risks
- The Committee will oversee a regular programme of reviews (Internal Audit) to ensure that financial transactions have been properly processed and that controls are operating as laid down by the Trust.
- A report of the findings from each visit will be presented to the SGET Board and Local Finance Committees.

## **8. Internal Audit**

The Internal Auditors are appointed by the Board of Directors. The main responsibilities of the Internal Auditors are to provide the Directors with independent assurance that;

- The financial responsibilities of the Board are being properly discharged;
- Resources are being managed in efficient, economical and effective manner;
- Sound systems of internal financial control are being maintained;
- Financial considerations are fully taken into account when reaching decisions;
- Providing a report of the findings to the Audit Committee.

## **9. The Executive Head**

The Executive Head is the Accounting Officer with responsibility for the propriety and regularity of the public finances for which they are answerable. The responsibilities are outlined in the Academies Financial Handbook and include:

- The initial review and authorisation of the budget;
- The regular monitoring of actual expenditure and income against budget;

- Ensuring annual accounts are produced in accordance with the requirements of the Companies Act 1985;
- Ensuring that the regular reports to the Board are full and accurate;
- Authorising orders, payments and awards of contracts within approval limits;
- Authorising changes to the Academies' personnel establishment.

## **10. The Academy Headteachers**

The Headteachers have responsibility for;

- Approving new staff appointments within the authorised establishment, except for any senior posts which must be approved by the Directors;
- Agreeing the delegated budget and authorisation responsibility within the Academy;
- Monitoring the regular budget reports and acting on overspends or risk.

## **11. The Trust Business Manager**

The Trust Business Manager works in close collaboration with the Executive Head. The main responsibilities of the Trust Business Manager are:

- The management of the Academy financial position at a strategic and operational level
- The maintenance of effective systems of financial control;
- Submitting grant applications, reports and returns to the ESFA/DFE, the Teacher's Pension Agency and HMRC;
- Ensuring that annual accounts are properly presented and adequately supported
- Overseeing the preparation of monthly management accounts;
- Virement decisions within agreed budgets;
- Authorising orders, payments and the award of contracts within agreed limits.

## **12. The Finance Team**

The Finance Team works in close collaboration with the Trust Business Manager. The main responsibilities of the Finance Team are;

- - The day to day management of financial issues;
  - Authorising requisitions and payments within agreed limits;
  - Reconciliation of all bank accounts;
  - Preparation of the monthly VAT return.

### **13. Academy Staff**

- Budget holders have specific financial responsibilities;
- All staff are responsible for the security of Academy property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conforming to the requirements of the Trust's financial procedures.

### **14. Conflict of Interest**

- It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all Directors, Governors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from whom the Trust may purchase goods or services. The register is open to public inspection.
- Any member of staff in receipt of gifts or hospitality over a value of £25.00 must declare this to the Finance Office for inclusion on the Gifts and Hospitality Register.

### **15. SGET Policy on Declaring Business Interests**

- It is important that the Trust, Governors and staff not only act impartially, but are also seen to act impartially. The Trust, LGBs, Committees and Academy staff have a responsibility to avoid any conflict between their business and personal interests and affairs and those of the trust and schools. There is a legal duty on all Trustees to declare an interest likely to lead to questions of bias when considering any item of business at a meeting and for the governor concerned to withdraw, if necessary, whilst the matter is considered.
- To help put this duty into practice, the Trust and Governing Body is required to establish and maintain a register indicating individuals' business/pecuniary interests. This should include, if appropriate, the company by whom they are employed, directorships, significant shareholdings or other appointments of influence within a business or other organisation which may have dealings with the Academy (see appendix III).

- - The register includes an entry for all of the Trust, Governors, Associate Members, the Executive Head, Headteachers, Trust Business Manager and the Clerk to the Governing Body.
  - Individuals should include their own interest and those of any member of their immediate family (including partners) or other individuals known to them who may exert influence.
- The register sheet must be signed and dated by the individual and countersigned by the Chair of the Trust/Executive Head/Chair of the LGB to indicate that the declarations have been noted.
- The forms must be renewed annually.

## **16. Opportunity to declare interests at meetings**

- There is a standing agenda item at every meeting (including committee meetings) called “Declaration of Pecuniary Interest, financial interest, loyalty” to allow the Trust and Governors the opportunity to declare ANY interests relating to items on the agenda.

## **17. Income**

- All Academies within the SGET are funded on the same basis as maintained schools and receive annual funding allocations from the Education Funding Authority (ESFA);
- All schools and academies receive most of their funding based on the total number of students. Student numbers are derived annually from the October school census, as stipulated in the funding agreement;
- Academies are funded through the ESFA. They receive the same amount of money as the Local Authority (LA) schools in the area. This is calculated using a LA formula. The LA agrees the funding formula factors and rates in consultation with the schools Forum. These factors are combined with others based on the institution, such as a lump sum for premises costs. This is the main budget and is received as the general annual grant (GAG);
- The ESFA provides funding for Academies from September to August, in line with the academic year;
- Academies receive extra funding, to cover the cost of services previously provided by the LA. This is allocated through the education services grant (ESG);
- Capital and pupil premium allocations are paid outside the GAG but directly from the ESFA.

- The pupil premium is additional funding given to publicly funded schools and academies in England to raise the attainment of disadvantaged students and close the gap between them and their peers;
- As part of the reconciliation procedures, the Finance Team will ensure that the monthly budget allocations to the Bank Account are made on time by the ESFA, and all other relevant agencies.
- The Trust Business Manager is responsible for ensuring that all other allocations of money due to the Trust are made on time by the ESFA and all other relevant agencies.

The Academies also receive additional income from;

**18. Students;** mainly to cover the cost of school meals and educational visits etc.

- Educational opportunities provided at SGET Academies during school hours are available to students regardless of ability to pay and that other activities are charged for in a fair and transparent way.

**19. The Parent Teacher Association;** raises extra funds for the Academy and is used to purchase special items.

**20. Lettings;** the Academies will make their facilities available to outside users at a charge of at least the cost of providing the facilities. Letting and hire of the Academies is conducted in line with the SGET Letting Policy which includes a scale of charges.

**21. Cash and Cheque Management**

The trust aims to be cashless and Cash and cheque collection should be kept to a minimum, the following procedures apply when it is unavoidable:

- All income received should be recorded immediately and a receipt issued.
- When a receipt is issued a copy will be given to the payer and the duplicate copy kept at the Academy.
- All monies received must be banked intact as soon as is practicable
- All cheques banked must be entered on the bank paying-in slip and recorded in PS Financials;
- For normal day-to-day transactions, the Finance Team will be responsible for receiving income and banking of income.
- The Trust Business Manager shall periodically check that all the monies due to the schools have been collected and banked.
- Personal cheques will not be cashed from money received and due to the Trust.

## • 22. Financial Planning and Review

- The Trust is required to submit a consolidated budget plan to the ESFA by the 31<sup>st</sup> July (amended for 2020 only to 30<sup>th</sup> September) In order to achieve this deadline, budget setting will be undertaken in each individual academy to allow sufficient time for the consolidated plan to be approved by Directors in early July. Each individual budget plan will feed into the consolidated Trust budget plan for the forthcoming year.
- The plans will be prepared having regard to all known needs of the Trust, the School Improvement Plans and the Asset Management Plan.
- The Trust Business Manager is responsible for working with the Executive Head and the Headteachers to draft these.
- The budget planning process will be a strategic three year rolling plan and will consider what resources are required to deliver education within each establishment. The process will ensure that any reduction or increase in allocation of funds is transparent and is supported by clear rationale. Changes will be subject review and agreement at the Heads' Board.
- Where appropriate this will include budget allocation for specified budget holders by curriculum subjects or departments, referred to as capitation. Subject capitation budget is based on pupil numbers and pupil hours allocated against subject options relevant to the academic year.
- The Trust Business Manager is responsible for establishing a schedule which allows sufficient time for the approval process (LGBs and Board of Directors) to ensure that the submission date to the ESFA for the resulting annual budgets is met.
- The ESFA Financial calendar details all the submission dates required.
- The annual budgets will reflect the best estimate of resources available to the Trust and Academies for the forthcoming year and will detail how these resources will be utilised. A balanced budget must be set.
- The budget must be communicated to all staff with responsibility for budget areas (budget holders) so that everyone is aware of the available resources.
- Expenditure on the revenue account may be incurred up to the amounts approved for each budget set and approved in line with budget forecast.

- - No expenditure may be incurred which cannot be met from the amount provided in the appropriate budget heading unless a budget variation has been approved by the Executive Headteacher, Headteacher or Trust Business Manager.
  - The Executive Headteacher may incur expenditure on behalf of the Academy Trust which is necessary to carry out any repair replacement or other work which is such extreme urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure, subject to a limit of £5,000. The Executive Headteacher and Trust Business Manager will report the action to the relevant Finance Committee and Board of Directors as soon as practicable thereafter. In such cases a risk assessment will be undertaken to support the need for such action.
  - The Executive Head is responsible for approval by the Board of Directors.
  - The board of Directors must notify ESFA within 14 days if it is formally proposing to set a deficit revenue budget for the current financial year, which it is unable to address after funds from previous years are taken into account
  - Monthly reports will be prepared by the Finance Team. The reports will detail actual income and expenditure against budget both for budget holders and at a summary level for the Executive Head, Headteachers, Governors and Directors.
  - The monitoring process should be effective and timely in highlighting variances so that differences can be investigated and action taken.

### **23. Accounting systems**

- All the financial transactions of the academy must be recorded on the PS Financials accounting system. The PS financials system is operated by the Finance Team. Note crossover with SAGE financial system in place from 1<sup>st</sup> September 2020.
- Access to the system is restricted, as authorised by the Executive Headteacher, Headteachers or Trust Business Manager.

#### **a. PS Financial Administration / SAGE financial system**

- Both systems allow users to be set up with appropriate access levels. The system restricts the access to the Nominal and Accounts depending on the roles of the Web users. The Budget holders are given access to authorise requisitions entered against the accounts that they are responsible for. The access to the Budget Holder reports available for viewing on the web portal is controlled by the Administration.

- - b. **Transaction Processing**
    - All transactions must be authorised in accordance with this policy.

#### c. **Transaction Reports**

- The Trust Business Manager will obtain and review system reports to ensure that transactions are posted to the accounting system correctly. The reports obtained and reviewed will include:
  - Periodic audit trail reports.
  - Amendment reports for the purchase ledger, sales ledger and nominal ledger
  - Management accounts summarising expenditure and income against budget at budget holder level

### **24. Reconciliations**

The Finance Team is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:

- Sales ledger control account
- Purchase ledger control account
- Payroll control account
- Petty cash control account
- Charge card accounts
- VAT control account

A complete audit trail is maintained on the PS Financial accounting/SAGE accounting systems which is routinely reviewed by the Trust Business Manager.

### **25. Best Value Statement**

The Trust is committed to achieving Best Value for money from all purchases. A large proportion of purchases will be paid for from public funds and must comply with the principles of

- **Probity;** it must be demonstrable that there is no corruption or private gain involved in the contractual relationships;
- **Accountability;** public accountability for expenditure and the conduct of its affairs;
- **Fairness;** that all are dealt with fairly and equitably.

The principles of Best Value are applied to securing continuous improvement and will ensure:

- All services are of a high quality that provide good value for money, meet the needs of their users and contribute positively to the general ethos of the school;

- Resources are deployed to secure the continuous improvement in the means through which the Academies' functions are exercised;
- All expenditure is relevant to the School Improvement Plan and is regularly reviewed;
- Due consideration has been given to Post OFSTED Inspection Plans (if applicable) in compiling the school budget;
- All premises/supplies and services' contracts agreed by the Academies are reviewed periodically and are the most effective, economic and efficient;
- The Trust aims to ensure that it is a well-managed organisation that supports and values the contribution made by its workforce.
- Appropriate authorisation limits are reviewed annually and approved by the Trust.

## 26. Procurement

SGET relies on public funding to carry out their work and meet their objectives. As such the organisation has to understand and follow basic procurement rules whenever they spend that money. These rules aim to ensure that taxpayers' money is used in ways that are demonstrably open, fair, and good value. The key elements of good procurement are:

- Planning - taking the time up-front to get the information needed to make a good, informed decision;
- Information – knowing and understanding the basics – such as the legal requirements that must be followed for any high-value spending
- Common sense - good judgment: for example, allocating more time to one-off high-value purchases, recognising when further help and advice is necessary, or having the confidence and experience to make the decisions. Procurement can range from the everyday, low-value purchases such as classroom supplies and cleaning products, right up to the highest-value, one-off purchases – a major refurbishment project, or letting a three-year contract for catering services. It will not be possible to subject every procurement process to the same level of scrutiny. The more public money being spent, the tighter the controls you need to apply.

SGET is committed to exploring all economies of scale that can be achieved through the development of shared services and shared contracts.

## 27. Routine Purchasing of £5,000 or less

- Budget holders will be informed of the annual budget available to them prior to the start of the academic year. It is the responsibility of budget holders to manage their budgets, to ensure that the lowest cost price is achieved that funds available are not overspent. Details of actual expenditure against budget will be available via PS Financials web portal, along with details of orders placed and not yet invoiced.

- A quote must be obtained before any order is placed. The budget holder and Finance Team should ensure that the lowest cost price is achieved, while bearing in mind the quality of the product or service.
- A common sense approach should be taken to the level of detail and/or number of quotes required. Purchasing a box of pens costing £2 for example would require less scrutiny than new computers at £4000.
- All procurement decisions will subsequently be subject to the formal ordering procedure set out in paragraph 33 of this policy. This provides a separation of duties and ensures that at least two people are involved throughout the process.

#### **28. Orders for single items over £5,000 and up to £25,000**

- At least 3 written quotations should be obtained for all orders over £5,000 and up to £25,000. Written details of quotations obtained should be prepared by budget holders and attached to orders passed to the Trust's Trust Business Manager. Telephone quotes are acceptable as long as they are subsequently confirmed in writing.
- In exceptional circumstances, for orders up to the value £11,000, the need for 3 quotations may be waived by the Executive Headteacher. In such circumstances the Executive Headteacher must be satisfied that value for money has been achieved.
- All procurement decisions will subsequently be subject to the formal ordering procedure set out in paragraph 33 of this policy. This provides a separation of duties and ensures that at least two people are involved throughout the process.

#### **29. Orders over £25,000**

- All goods/services over £25,000 will be subject to formal tendering procedures. The Trust will comply with appropriate EU procurement rules where the value of supply exceeds the stated threshold.
- All procurement decisions will subsequently be subject to the formal ordering procedure set out in paragraph 33 of this policy. This provides a separation of duties and ensures that at least two people are involved throughout the process.

#### **30. Contracts**

- Every contract entered into on behalf of the Trust and/or Academy shall comply with the following procedures and no exception from any of the following provisions shall be made

- otherwise than by direction of the Board of Directors or, in emergency, by the Chairman of the Board of Directors.

Where it is intended to enter into a contract:

- exceeding £11,000 in total the Academy shall invite tenders from at least three firms and
- for contracts of £11,000 or less in value the Executive Headteacher shall have executive power.
- All contract awards will subsequently be subject to the formal ordering procedure set out in paragraph 33 of this policy. This provides a separation of duties and ensures that at least two people are involved throughout the process.

Any variation to a contract or addition to or omission from a contract must be approved by the Executive Headteacher/Headteacher in writing, with the Finance Committee and the Board of Governors being informed where the final cost is likely to exceed the financial provision.

### **31. Tender procedures**

Where tenders are required, the following procedures must be followed:

- The budget holder in conjunction with the Trust Business Manager will prepare a specification, which will be authorised by the Headteacher.
- The invitations to tender should include:
  - an introduction/background to the project;
  - the scope and objectives of the project;
  - any technical requirements;
  - implementation details for the project;
  - the terms and conditions of the tender; and
  - the form and date of response to the Trust.
- The use of brand names will be avoided and, where appropriate, a European or British Standard or other quality guideline sought. Where relevant, reference will be made to appropriate safety standards and health & safety regulations.

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- All replies should be addressed to the Trust Business Manager in a plain sealed envelope marked 'Tender'.
- No supplier is allowed to amend their tender after the fixed date for receipt.

All tenders are to be opened at the same time by staff authorised to do so. Two persons should be present for the opening of tenders as follows:

- for contracts up to £25,000 – a budget holder, the Headteacher or Trust Business Manager;
- for contracts between £25,001 – £100,000 the Headteacher or Trust Business Manager and an Executive Headteacher
- for contracts over £100,000 the Headteacher or Trust Business Manager, Executive Headteacher and member of the relevant Finance Committee.
- where a tender exercise is required for good and/or services that covers more than one academy a representative from each academy will be involved in the developing and awarding that tender.
- In addition to the above, all tender awards will subsequently be subject to the formal ordering procedure set out in paragraph 33 of this policy. This provides a separation of duties and ensures that at least two people are involved throughout the process.

The following information should be recorded:

- the date and time of opening;
- the names and signatures of those present;
- the value of each tender;
- details of suppliers who declined the invitation, or failed to submit a tender; and
- any omissions in the submission, e.g. documents, signatures or missing data.
- Late tenders will be rejected and retained unopened until the contract is awarded. They will then be returned to the tenderer with an explanatory note.
- Where contracts under seal provide for payments to be made in instalments, the Trust Business Manager will ensure that a contract register is maintained showing the state of the account on each contract together with related professional fees and other payments.
- The decision as to which tender to accept will be made by the LGB Finance Committee, Local Governing Body or Board of Directors.
- The reasons for accepting a particular tender are to be based upon ensuring best value and therefore the cheapest tender will not necessarily be selected. The following points should be considered when deciding which tender to accept:

### • Suppliers

- qualifications, technical ability and experience;
- DBS status (where required)
- pre-sales demonstrations;
- after sales service;
- quality procedures;
- references from existing customers;
- financial status; and
- professional indemnity insurance.

### Cost

- overall price;
- unit price for parts of the product or service; • the possibility of 'hidden costs'; and
- scope for negotiation.

Where appropriate, adequate checks are to be made that the contractors employed for buildings work – maintenance and repairs etc. – have Public Liability Insurance Cover, minimum value £5,000,000. It is the responsibility of the Trust Business Manager to ensure that this is complied with.

## 32. Ordering

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- The requisitions are entered on the web portal by the finance departmenten assigned to them. Where this is not possible an appropriately authorised paper requisition or electronic order may be used and given to the Finance Team. However, it is the declared aim of the Trust to move toward a fully electronic procurement system.
- The list of authorised suppliers is controlled by the Finance Team and new suppliers are added on the approval of the Trust Business Manager.
- The authorised orders and sales Invoices are communicated to the Suppliers and Customers by email or printed order by the Finance Team. It is a declared aim of the trust to move to a fully electronic procurement system. It also allows remittance advices to be sent to suppliers once the BACS payment method goes live.

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### **33. Cheque/BACs Authorised Signatories**

The SGET central bank account has nominated signatories for Cheque and BACs authorisation.

- There has to be two signatures to each cheques/BACs authorisation.
- A nominated signatory may not sign a cheque/authorise a BACs payment made payable to themselves.

Nominated signatories to the Trust bank account are:

Executive Headteacher

Deputy Headteacher – Lacon Childe

Trust Business Manager

Assistant Business Manager (BACS runs only)

### **34. BACs payments**

- All BACs payments will be generated from the PS Financials System and noted with the relevant number.
- **BACS files must follow the appropriate naming protocols:**
- SGET:      **SGET`yyyymmdd`**

### **35. Cheque payments**

- Blank cheques must not be signed under any circumstances.
- All cheque book expenditure will be recorded on the PS Financials system and noted with the relevant cheque number.
- All stubs should be completed at the time of payment.
- Cheques are to be signed only with documentary evidence of the nature of the payment.

- The Finance Team must ensure that all prime records are retained for six financial years plus current year and stored in a secure cabinet (or similar) in a secure and logical manner.
- Copy invoices are not to be paid until exhaustive checks have been made to confirm that payment has not previously been made. References back to the original order are to be made in every case. Confirmation that such checks have been made is to be by endorsing the invoice "invoice not previously passed for payment" and signing.
- Under no circumstances are payments to be paid against statements to suppliers.

### **36. Bank Accounts**

- The Trust has one joint main bank account for all of its schools. The account is held at Lloyds Bank in Cleobury Mortimer.

Name	Account Name:	Account No	Sort Code
SGET	The Shropshire Gateway Educational Trust	15371568	30-67-88

- The central account is linked to the financial management system and all income and expenditure for each of the respective schools is paid into and from this account.
- The opening of new accounts must be authorised by the Board of Directors who must set out, in a formal memorandum, the arrangements covering the operation of accounts, including any transfers between accounts and cheque signing arrangements. cheques and other instruments authorising withdrawal from academy bank accounts must bear the signatures of authorised signatories.
- The Trust's bank and/or building society must be informed that the Trust's accounts must never become overdrawn.
- Where the cash flow position is such that the bank account might become overdrawn, the Executive Head has the authority to request from the ESFA an early advance of the monthly budget allocation. Confirmation that such a request has been made must be notified to the Trust Business Manager and Chairperson of the Finance Committee at the next meeting, together with an explanation as to the reasons why and the additional cost to the Trust in terms of interest charged.
- The Trust will maximise income as far as possible and, where appropriate, a high interest or deposit account will be maintained, in addition to the normal current account.

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- Direct Debits and Credits will only be made with the authorisation of any two signatories from the Trust's mandate.
- For any Direct Debit or Credit authorisation over £5,000, one of the signatories must be the Executive Head.

### **37. Payroll**

- The main elements of the payroll system are:
- Staff appointments;
- Payroll administration and payments
- As part of the annual budget process The Board of Directors will approve a staff establishment for the Trust and Academies.
- The Heads' Board have the authority to appoint staff within the authorised establishment, including supply staff, except for the Headteachers and the Trust Business Manager whose appointments must be approved by the Directors.
- The Heads' Board will ensure that all vacancies are discussed prior to being approved in order that opportunities to consider Trust-wide appointments have been considered fully.
- Changes to the staff establishment can only be made with the approval of the Heads' Board who must ensure that adequate budgetary provision exists for the proposed change.
- Changes to non-teaching staff pay can be recommended by the Headteacher and approved by the Executive Head.

Changes to teaching staff pay can be recommended by the Executive Headteacher or Headteachers and approved by the Local Pay Committee.

- New appointments, any subsequent amendments to an employee's terms of employment and terminations of employment will be notified to the pay provider by the required means.
- Staff overtime, and supply claims can be approved by the Executive Head, Headteachers or Trust Business Manager.

- The Finance Team will ensure that the Staffing spreadsheets are up dated to take account of new appointments, amendments, terminations of employment overtime and supply claims.
- Before each payroll date (28<sup>th</sup> of each month) the payroll provider will forward a detailed breakdown of all payments to be made. The payment report will be checked for accuracy by the Finance Team and Trust Business manager,Executive Headteacher/Headteacher before the payments are made.
- Salary control accounts will be populated through the payroll journal import file and subsequently reconciled against the bank statement once payment has been made.

### **38. Additional Hours/Overtime**

- In general any additional hours or overtime payments sit outside of budget plans and budget holders' allocations. It is therefore important that the budget holder, to which the overtime costs will be allocated, approves any payment.
- It is expected that any additional hours are approved by the budget holder before they are worked. It is accepted that there are times when this is not possible; however, this should be the exception to the rule.

### **39. Staff Expenses**

Staff may claim for reasonable expenses incurred to perform their duties. Reasonable expenses include:

- Travel by public transport (excluding home to work travel);
- Use of own car and parking (excluding home to work travel);
- Unavoidable overnight accommodation;
- Reimbursement for the purchase of approved items.
- Rates and allowances are laid out in the schedule of agreed allowances which will be reviewed annually.
- Actual expenditure claimed must be supported with receipts, whatever the expenditure. The claims will be processed in the Finance Office and monitored to ensure compliance. Payment will be sent to the member of staff. All records of claims and payments must be kept together.

### **40. Staff Redundancy**

- - From time to time it may be necessary for the Trust to instigate redundancy procedures; this could either be to address cost pressures or as a result of organisational change. Any action intended to result in staff redundancy must be approved by the Board of Directors.

#### **41. Charge Cards**

- A limited number of charge cards will be issued for small value transactions. Charge card should only be held by authorised card holders and should be retained on the school premises at all times. Monthly statements should be checked and all documents supporting the payments should be retained with the statement.
- Use of charge cards will be allowed in accordance with The Trust regulations. All charge cards should be held in a safe and signed for if being used off site. Accounts must be reconciled and balanced to receipts on a monthly basis.
- Charge card transactions will be posted to the appropriate nominal code and cost centre onto the account system through the Charge Card Expense Form.
- Charge card use and limits will be reviewed annually.
- Charge card holders within the Trust are:
  - Executive Headteacher
  - Headteachers
  - Trust Business Manager
  - Finance Officer

#### **42. Petty Cash**

- A small petty cash float is held at all schools.
- Minor items of expenditure can be paid or reimbursed to staff through the Academy's own petty cash system.
- Expenditure paid through petty cash must not exceed £50 in any one transaction. Requests for amounts above this limit can only be authorised by the Trust Business Manager.

All payments made must be supported by an appropriate vat voucher signed by the member of staff receiving the cash.

- Supporting receipts must only include the goods to which the petty cash payment relates.

- They must not include elements of a member of staff's personal purchases
- All petty cash will be kept in a locked box in the safe and the Finance Team will be responsible for its security.
- The amount of petty cash held must be kept to a minimum and should never exceed £200 at any one time. The maximum amount of cash held in the academies at any time must never exceed the insured limit for the safe as set by the academies' insurance cover.
- Cash floats for specific purposes (for example a residential trip) will be managed in a similar way to petty cash but sit outside of the main petty cash account. The amount held in these floats will be an amount deemed necessary to cover unexpected expenditure whilst on the trip and will be the responsibility of the trip leader.
- The Finance Team will be responsible for the monthly reconciliation of the petty cash at the end of the month and entry onto the Trust's financial system.

#### **43. Taxation**

- The Trust abides by the procedures issued by the HMRC in connection with Corporation tax. Currently it is assessed that all activities fall within the Trust's core educational provision or below the "trading" threshold and therefore as primary purpose is not subject to Corporation tax.
- The Trust also abides by the procedures issued by the HMRC in connection with VAT. The Trust is not VAT registered.
- The Trust is entitled to reclaim input tax paid on all its non-business expenditure and this claim is prepared by the Trust Business Manager and Finance Team and submitted on a regular basis to HMRC.
- Where new activities are undertaken, professional advice will be sought if the Corporation tax or VAT implications are not clear.

#### **44. Fixed assets**

- With the exception of Land and Buildings all fixed asset details are recorded on the Asset Register.
- All assets must be checked/physically verified at least annually to ensure that they are still in good repair and of use to the Academy.

- 
- Disposals and scrapping/write-off of fixed assets must be approved as follows:
- Up to £1000 by the Trust Business Manager
- Up to £10,000 by the Headteacher
- Over £10,000 by the Local Governing Bodies Finance Committee.

- If the estimated re-saleable value of the materials is in excess of £50 but does not exceed £500, the proposed disposal shall be advertised on the staff notice board and staff will be invited to submit sealed bids for the items.
- If the estimated re-saleable value of the materials is in excess of £500, quotations shall be invited from at least two sources external to the school. Staff, however are not precluded from also submitting bids.
- Records of disposals shall be kept together with details of bids.
- The Trust has set the value of a Fixed Asset at £1k. All fixed assets purchased with an individual value of over £1k must be entered into the asset register on the finance system
- The Academy must seek the approval of the DFE in writing if it proposes to dispose of an asset, or group of assets, for which a capital grant in excess of £20,000 was paid.
- The Academy is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other Academy assets. If the sale proceeds are not reinvested the Academy must repay to the DFE a proportion of the sale proceeds.
- The use of fixed assets must be reviewed annually (to ensure that they are put to best use and serving the Academy's interests).
- Fixed assets must be appropriately insured.
- An appropriate depreciation rate should be allocated to each asset and the fixed asset register updated for the allocated rate. The Trust will depreciate fixed assets in line with recognised accounting standards, ESFA guidelines and external auditors. Depreciation rates are as follows:
  - Land and Buildings – straight line over the length of the lease
  - Fixtures and Fittings – 20% straight line
  - Computer Equipment – 33% straight line
  - Motor Vehicle - 20% Reducing balance

#### 45. Credit control

- Debtor reports will be presented at Local Governing Body Finance Committees and to Board of Directors on a regular basis.

- The collection of all sums due to the Academy shall be the responsibility of and under the supervision of the Trust Business Manager.
- Any potential bad debts shall be reported to the Trust Business Manager and be included in the quarterly management accounts.
- The following procedures should be adopted for all overdue accounts:
  - A letter requesting immediate settlement of the debt to be sent when the debt is 14 days overdue;
  - A second letter requesting immediate payment is to be sent if the debt remains outstanding for 21 days; and
  - If the debt remains outstanding for 28 days the matter will be escalated to the Headteacher and/or Executive Headteacher
- The Headteacher / Business Manager is authorised to write off any individual debt owed to the Academy up to a value of £1000 and to a cumulative value of £1000 per month. The Executive Headteacher is authorised to write off any individual debt up to a value of £1000 and a cumulative value of £3000 per month. In all cases the Headteacher or Executive Headteacher must be satisfied that proper steps have been taken to mitigate the loss and prevent a recurrence. This may, for example, be in respect school meals debts; letters; damage to the school or contents; charges levied by the school (e.g. music tuition). Any debt in excess of this shall be written off by the Local Finance Committee. In all such cases debts shall be reported to the appropriate committee identified within the Summarised Financial Scheme of Delegation (see Appendix I)
- Records of write offs shall be kept.

#### **46. Insurance**

- The Finance Team shall effect all insurances and negotiate all claims on the Academy's insurers in consultation with the Trust Business Manager, Headteacher and/or Executive Headteacher.
- Routine insurance claims (e.g. staff absence) will be managed by the Finance Team. Income from claims will be reported against the appropriate nominal code on the PS Financial system.
- The Trust Business Manager shall keep a record of all insurances effected by the Academy and the property and risks covered thereby, and annually review it in a report to the Finance Committee. The Board of Governors shall be notified of any loss liability or damage or of any event likely to lead to a claim.

## 47. Internal Control

- The Finance Team are responsible for carrying out the monthly bank statement reconciliation. All discrepancies that cannot be resolved following investigation are to be reported to the Trust Business Manager and Bank and investigated immediately. Where the discrepancy still cannot be resolved, the matter will be reported to the Executive Headteacher.
- The Finance Team is responsible for completing VAT returns in the prescribed format.
- The Trust Business Manager will be responsible for periodically checking and signing to confirm the checks have been made for both the Delegated Budget and school funds: -
  - Bank account reconciliations
  - VAT returns
  - Petty cash reconciliations
  - Payroll reconciliations
  - Creditor and Debtor reports
  - Sales ledger control
  - Purchase ledger control
- Refer to **Appendix III** for a copy of the month-end reconciliation procedures and other month end checks.
- The working documents in respect of the month-end reconciliations will be retained within a month end file. Where possible this information will also be stored electronically.

## 48. Management accounts

- Monthly management accounts are produced and reviewed by each academy's Headteacher and Finance Committee and Trust wide consolidated and non-consolidated accounts by the Board of Directors. The management accounts will contain the following:
  - Actual year to date vs. budgeted year to date income and expenditure; • Explanation of key/material variances; and
  - Creditor and Debtor reports.

- Termly management accounts will be issued to the full Local Governing Body Finance Committee and discussed at the Full Local Governors' and Directors' meetings if appropriate.

#### **49. Review**

- The Finance Policy and associated appendices will be reviewed on an annual basis.

**Appendix I****The Shropshire Gateway Educational Trust Summarised Financial Scheme of Delegation**

<b>Delegated Responsibility</b>	<b>Value</b>	<b>Delegated Authority</b>	<b>Method of Recording and Reporting</b>
<b>Orders and payments for goods and services</b>	Capitation allocated	HODs	Recorded via Order Form/ Financial System
	Up to £15K for individual transaction	Trust Business Manager	
	Cumulative value of up to £105k per month.	Trust Business Manager	Non pay expenditure reports via PS Financials
	Up to £25K for individual transaction	Executive Head/Heads	
	Cumulative value of up to £175k per month.	Executive Head/Heads	Non pay expenditure reports via PS Financials
	Above £25K (goods or services for single academy)	Local Finance Committee	Reported to Local Finance Committee  Recorded via Order Form/ Financial System
	Above £25k (goods or services for more than one academy)	SGET Board of Directors	

<b>Signatories for cheques/ BACS payment authorisations and other bank transfers</b>	Up to £25k	2 signatories at all times	Recorded via payment module on Financial System
	Up to £100K	2 signatories at all times - Executive Head and Trust Trust Business Manager	

	Above £100K	2 signatories at all times Executive Head and Trust Business Manager and inform SGET	
<b>Monthly charge card limits</b>	Primaries £2k Secondary £12K	Card holders	
<b>Payroll</b>		2 signatories at all times Executive Head/Head and Finance Team.	Recorded on payroll payment file.
<b>Approve transfers between budget headings within agreed limits</b>	Up to 100K	Trust Business Manager and Executive Head	Recorded via journal transfer on Financial System  Reported to Local Finance Committee.
<b>Authorise/ seek authority for the disposal of unusable or obsolete items</b>	Up to £250	Trust Business Manager	Recorded on Asset Register.
	Up to £10K	Headteacher and Executive Headteacher	Recorded on Asset Register.
	Over £10k	the Local Governing Bodies Finance Committee.	Recorded on Asset Register.  Reported to Local Finance committee

<b>Seek approval for writing off debts and losses</b>	Up to £500	Headteacher	Reported to Local Finance Committee
	Cumulative value of up to £1000 per month	Headteacher	Reported to Local Finance Committee
	Up to £1k	Executive Headteacher	Reported to Local Finance Committee
	Cumulative value per up to £3000 month	Headteacher	Reported to Local Finance Committee
	Over £3000	Local Finance Committee	Reported to SGET Directors
Appointment of Staff within establishment.	Up to 50k	Heads' Board	Minutes of Head's Board

	Over £51k	Heads' Board	Minutes of Head's Board  Minutes of Local Finance Committee
Appointment of New Staff posts.	Up to 50k	Heads' Board	Minutes of Head's Board  Minutes of Local Finance Committee

Appointment of New Staff posts.	Over £51k		Board of Directors
Staff Redundancy			Board of Directors
Pay Progression		Executive Headteacher Headteachers	Local Pay Committee
Overtime/Additional Hours for Teaching Staff/Educational Support staff.		Executive Headteacher/Headteacher	Claim Form
Overtime for Support Staff		Executive Headteacher/Headteacher or Trust Business Manager	Claim Form



## Appendix II

**The Shropshire Gateway Educational Trust – Procurement Limits**

It is important that all purchases show best value has been achieved; to do this the Trust has adopted the following procedures, which must be adhered to by all staff involved in the procurement of goods or services.

<b>Estimated Value of Goods or Services</b>	<b>Minimum Number of Quotes/Tenders</b>	<b>Method of Inviting Quotes/Tenders</b>	<b>Basis of Selecting Supplier/Contractor</b>	<b>Records Required</b>	<b>Formal Contract Required</b>
Under £5K	Purchaser to ensure Academy getting value for money	Documented Quotation, depending on level of spend	Purchasing Knowledge	Note to be made of Source, name and amount of quotes obtained.	No
£5,001–25,000	3 to be obtained	Formal /Written quotation	Purchasing Knowledge/ Trade Directories	Written note of source, name and amount of quotes must be obtained	Dependent on nature of goods or services.
£25,001–£50,000	3 to be obtained	Formal Written Quotation	Purchasing Knowledge/ Trade Directories – Trust approved list	Quotations received, written via sealed envelopes.	Yes
£50,001 and over	4 to be invited	Sealed Tenders	Advertisement /Trade Directories- Trust approved list	Tender Schedule and tenders	Yes

All of the above limits are exclusive of VAT

### Appendix III REGISTER OF BUSINESS INTERESTS

**Name of Member, Director, Governor or Member of Staff**

.....

**Name of School**

.....

Name of Business	Nature of Business	Nature of Interest e.g. Owner  Manager Partner	Date of Appointment or Acquisition	Date of Cessation of Interest	Date of Entry

I certify that I have declared all beneficial interests which I or any person closely connected with me have with businesses or other organisations which may have dealings with the school.

**Annual Review**

Signature

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Date

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Signature

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Date

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Signature

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Date

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Signature

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Date

.....



## Appendix iv

	<i>Complete By</i>	<i>Date Completed</i>
<b>FIXED ASSETS</b>		
A review of the expense codes should be undertaken to ensure that no items of a capital nature (and above the agreed capitalisation limit) have been posted to the income and expenditure codes, if this has happened then a manual journal is required to be posted to move the expense from the expense code to capital additions.		
The depreciation charge should then be calculated based upon the rates which have been set up and the journal processed from the fixed asset register (often will be done via integrated link on the fixed asset module).		
The fixed asset register should then be printed and the cost and depreciation amounts agreed to the trial balance at the end of the month.		
<b>DEBTORS/SALES LEDGER</b>		
The aged debtor report should be produced as at the month end and the total debtors balance on the aged report agreed to the debtors control account balance as per the trial balance at the month end.		
<b>CREDITOR/PURCHASE LEDGER</b>		
The aged creditor report should be produced as at the month end and the total creditors balance on the aged report agreed to the creditors control account balance as per the trial balance at the month end.  The ledger should be reviewed for any older items and the reasons for these to be established.		
<b>BANK RECONCILIATION</b>		
A bank reconciliation should be completed as part of the month end procedures.		
The opening balance per the system should always be checked to the previous reconciliation prior to commencing the current month's reconciliation.		
Each item on the bank statement should be imported into the accounting system and checked against the information held in the system's cashbook.		

Once the reconciliation process on the system is completed the lists of unreconciled receipts and payments should be printed for review. The list of unreconciled items should be reviewed and for any older items included establish reasons for why these have occurred and if necessary consider writing off.		
<b>PETTY CASH CONTROL</b>		
At the end of each month the physical cash held as petty cash floats should be counted and this amount agreed to the petty cash balance which is held on the system.		

	<i>Complete By</i>	<i>Date Completed</i>
<b>VAT CONTROL</b>		
When producing the VAT return for a period then the liability should be reconciled to the accounts at the same time as this can serve to highlight if any omissions/double counting is potentially taking place on the return.		
The liability as per the VAT return should be agreed to the VAT liability on the trial balance at that month/quarter end.		
<b>SALARY CONTROL</b>		
At the end of each month the salary liabilities should be agreed to the balance on the salary control accounts on the trial balance.		
This should equal the deductions made in the month which are to be paid over following the month end.		

# THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST

## Anti-bribery Policy

### Contents

Policy Statement

Policy Scope

Equality Impact Assessment

Other Related Policies and Procedures

Review/Dissemination of and Access to the Policy

## 1.0 Policy Statement

- The Shropshire Gateway Educational Trust “the Academy”, as a charitable educational institution, values its reputation for ethical behaviour and financial probity. The Academy is committed to carrying out its activities fairly, honestly, openly and to ensuring it adheres to and promotes best practice in bribery prevention.
- Bribery is the offer, promise, giving, demanding or acceptance of an advantage as an inducement to encourage a person to perform a relevant function or activity improperly or to reward that person for already having done so.
- Bribery is a criminal offence, morally wrong and exposes members of the Academy’s community to the risk of prosecution, fines and/or imprisonment (up to a maximum of 10 years) as well as endangering its reputation.
- The Academy is committed to its responsibilities under the Bribery Act 2010; ensuring that no bribes are made, offered, sought or obtained by anyone acting on its behalf, to anyone, anywhere in the world by:
  - Setting out and maintaining a clear Anti-Bribery Policy and other relevant policies and procedures, for example, Public Interest Disclosure (Whistleblowing) Policy, which are proportionate to the risks faced by the Academy and enable concerns to be brought to its attention (in confidence, if required) and dealt with.
  - Informing all staff so they can recognise and avoid the use of bribery by themselves or others.
  - Encouraging all its Governors, staff, students and individuals (including agents, consultants, contractors, service providers and external partner organisations) working on behalf of, under contract from or in collaboration with any part of the Academy to report any suspicious activity or wrongdoing which could be construed as bribery.
  - Robustly and promptly investigating all cases of actual or suspected bribery and ensuring appropriate action is taken against any individual(s) involved in bribery. The Police will be informed where considered appropriate.
- **2.0 Policy Scope**

This Policy:

- Applies to all Governor's staff and students and individuals (including agents, consultants, contractors, service providers and external partner organisations) working on behalf of, under contract from or in collaboration with any part of the Academy.
- Extends to all of the Academy's activities and operations and to all of its dealings and negotiations with third parties.
- Strictly prohibits the offering, enticing or acceptance of any bribe (in any form including a facility payment) to or from any person, company, wherever they are situated and whether they are a public official or body or private person or company by any Governor, member of staff or student or individual working on behalf of, under contract from or in collaboration with any part of the Academy in order to gain any commercial, contractual or regulatory advantage for the Academy or in order to gain any personal advantage, financial or otherwise, for the individual or anyone connected with the individual.
- Requires all staff or students or individuals working on behalf of, under contract from or in collaboration with any part of the Academy to be responsible for:
  - conducting themselves at all times integrity, impartiality and honesty, safeguarding any resources and/or assets belonging to the Academy for which they are responsible and complying with all applicable law; and
  - helping detect, prevent and report not only bribery but all suspicious activity or wrongdoing which could be construed as bribery, and
  - being alert to the possibility of unusual events, behaviours or transactions which could be an indication of bribery; and
  - reporting all concerns or suspicions of bribery, fraud or corruption to their line manager or another senior person so that action can be taken under the Academy's Fraud Response Plan; and
  - co-operating fully with whomsoever is conducting internal checks, reviews and/or investigations.
- Knowingly failing to comply with this Policy by:
  - Any Governor, member of staff or student will be considered a serious matter of misconduct and action will be taken under local disciplinary procedures up to and including dismissal.
  - Any individual (including any agent, consultant, contractor, service provider and external partner organisation) working on behalf of, under contract from or in collaboration with any part of the Academy will likely result in the termination of its business and contractual relationship with the Academy.

- Bona fide hospitality and promotional, or other business expenditure which seeks to improve the image of an organisation, to better present products and services, or to establish cordial relations, is recognised as an established and important part of doing business and it is not the intention of the Bribery Act 2010 to criminalise such behaviour. This Policy therefore is not meant to prohibit the following practices providing they are customary in a particular market, are reasonable and proportionate and are properly recorded:
- Normal and appropriate hospitality as permitted under the Academy's Financial Regulations (procedures manual).
- The giving of ceremonial gifts at a special time.
- The use of recognised fast track process which is available to all on payment of a fee.

### **3.0      Review/Dissemination of and Access to the Policy**

- The Board of Directors is responsible for issuing relevant procedures for the prevention, detection, reporting and handling of bribery and for making all relevant persons aware of the necessity of complying with this Policy.
- The Academy's leadership team have responsibility for monitoring the operation and effectiveness of anti-bribery arrangements and should receive appropriate reports on bribery activity. The Trust's Audit Committee has a responsibility to oversee the Academy's policy on fraud and irregularity, including being notified of any action taken under that policy.
- This policy will be reviewed on an annual basis.

# **THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST**

## **Anti-Fraud Policy**

## 1.0 Introduction

- This document sets out the policy and procedures of Shropshire Gateway Educational Trust “the Academy” against fraud and other forms of dishonesty, together with the steps that must be taken where any of these practices is suspected or discovered.
- It applies to Governors, staff, students and volunteers. Anybody associated with the Academy who commits fraud, theft or any other dishonesty, or who becomes aware of it and does not report it, will be subject to appropriate disciplinary action.

## 2.0 Statement of intent

- The Academy will continually strive to ensure that all its financial and administrative processes are carried out and reported honestly, accurately, transparently and accountably and that all decisions are taken objectively and free of personal interest. We will not condone any behaviour that falls short of these principles.
- All members of the organisation have a responsibility for putting these principles into practice and for reporting any breaches they discover.

## 3.0 Definitions

- **Fraud:** A deliberate intent to acquire money or goods dishonestly through the falsification of records or documents. The deliberate changing of financial statements or other records by either; a member of the public, someone who works or is a volunteer for the Academy. The criminal act is the attempt to deceive and attempted fraud is therefore treated as seriously as accomplished fraud.

- **Theft:** Dishonestly acquiring, suing or disposing of physical or intellectual property belonging to the Academy or to individual members of the organisation.
- **Misuse of equipment:** Deliberately misusing materials or equipment belonging to the Academy.
- Abuse of position: Exploiting a position of trust within the organisation.

#### 4.0 Culture

- The Academy culture is intended to foster honesty and integrity and is underpinned by seven principles of behaviour. These are selflessness, integrity, objectivity, accountability, openness, honesty and leadership. Governors, staff, students and volunteers are expected to lead by example in adhering to policies, procedures and practices. Equally, members of the public, service users and external organisations (such as suppliers and contractors) are expected to act with integrity and without intent to commit fraud against the Academy in any dealings they may have with the Academy.
- As part of the culture, the Academy will provide clear routes by which concerns can be raised by Governors, staff, students and volunteers and by those outside of the Academy. A copy of the Academy's whistleblowing policy is available to Governors, staff, students volunteers, service users, suppliers and other third parties.
- Senior management are expected to deal promptly, firmly and fairly with suspicions and allegations of fraud or corrupt practice.

#### 5.0 Responsibilities

- In relation to the prevention of fraud, theft, misuse of equipment and abuse of position, specific responsibilities are as follows:
  - a. **The Board of Directors**
    - The Board of Directors are responsible for establishing and maintaining a sound system of internal control that supports the achievement of the Academy's policies, aims and objectives.
    - The system of internal control is designed to respond to and manage the whole range of risks that the Academy faces.
    - The system of internal control is based on an on-going process designed to identify the principal risks, to evaluate the nature and extent of those risks and to manage them effectively. Managing fraud risk is seen in the context of the management of this wider range of risks.

**b. The Accounting Officer**

- Overall responsibility for managing the risk of fraud has been delegated to the Accounting Officer. His/her responsibilities include:
  - Undertaking a regular review of the fraud risks associated with each of the key organisational objectives.
  - Establishing an effective anti-fraud response plan, in proportion to the level of fraud risk identified.
  - The design of an effective control environment to prevent fraud.
  - Establishing appropriate mechanisms for:
    - reporting fraud risk issues;
    - reporting significant incidents of fraud or attempted fraud to the Academy Board.
    - Reporting incidents of fraud over £5,000 to the ESFA or where it is unusual in nature systematic.
  - Liaising with the Academy's appointed Auditors.
  - Making sure that all staff are aware of the Academy's Anti-Fraud Policy and know what their responsibilities are in relation to combating fraud;
  - Ensuring that appropriate anti-fraud training is made available to Governors, staff, students and volunteers as required; and
  - Ensuring that appropriate action is taken to minimise the risk of previous frauds occurring in future.

**c. Senior Management Team**

- The Senior Management Team is responsible for:
  - Ensuring that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively;
  - Preventing and detecting fraud as far as possible;
  - Assessing the types of risk involved in the operations for which they are responsible;
  - Reviewing the control systems for which they are responsible regularly;
  - Ensuring that controls are being complied with and their systems continue to operate effectively; and
  - Implementing new controls to reduce the risk of similar fraud occurring where frauds have taken place.

**d. Staff and Volunteers**

- Every member of staff or volunteer is responsible for:
- Acting with propriety in the use of the Academy's resources and the handling and use of funds where they are involved with cash, receipts, payments or dealing with suppliers;
- Conducting themselves in accordance with the seven principles set out above. They are: selflessness, integrity, objectivity, accountability, openness, honesty and leadership;
- Being alert to the possibility that unusual events or transactions could be indicators of fraud;
- Alerting their manager when they believe the opportunity for fraud exists e.g. because of poor procedures or lack of effective oversight;
- Reporting details immediately if they suspect that a fraud has been committed or see any suspicious acts or events; and
- Cooperating fully with whoever is conducting internal checks or reviews or fraud investigations.

## 6.0 Detection and Investigation

- Whilst having regard to the requirements of the Data Protection legislation, the Academy actively participates in an exchange of information with external agencies on fraud and corruption. It is often the alertness of Governors, staff, student or volunteers and the general public to the possibility of fraud and corruption that leads to detection of financial irregularity.
- The Chair of the Board of Directors Board must be notified immediately of all financial or accounting irregularities or suspected irregularities or of any circumstances which may suggest the possibility of irregularities including those affecting cash, inventory, property, remuneration or allowances.
- Reporting of suspected irregularities is essential as it:
- Facilitates a proper investigation by experienced staff, and ensures the consistent treatment of information regarding fraud and corruption.
- When so notified, the Chair will instigate an investigation by appointing a designated officer, auditor or other adviser. The designated officer, auditor or other advisor will:
  - Deal promptly with the matter.
  - Record evidence received.
  - Ensure the security and confidentiality of evidence.

- Work closely with senior managers of the Academy and other agencies, such as the Police and Courts to ensure that all issues are properly investigated and reported upon.
- Ensure maximum recoveries are made on behalf of the Academy, and assist the senior managers to implement Academy's disciplinary procedures where considered appropriate (referral to the Police will not prohibit or restrict action under the Disciplinary Procedure).
- In cases of suspected payroll irregularities where a fraud investigation may be possible, discussion will occur between the Chair of the Board of Directors and the Academy if it is thought a disciplinary investigation is more appropriate.
- Malicious accusations may be the subject of disciplinary action.

## **7.0      Review**

This policy will be reviewed on an annual basis.